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Advertising Age

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Coke back to 'traditional' ads

New theme for both: 'We've got a taste for you'

By NANCY GIGES

Coca-Cola USA has not only brought back original Coke to the American marketplace but also the kind of traditional soft-drink advertising that it had been trying so hard to replace over the past few years.

The new campaign also drops any distinctions between Coke and Coke Classic by showing both products in commercials in an effort to project the image of a single brand.

The Atlanta-based soft-drink marketer previewed a series of four new spots with new music and a new theme, "We've got a taste for you," at bottler meetings across the country last week. The company also showed new spots for Cherry Coke, Sprite, Diet Coke and those that have just broken for Minute Maid orange soda (AA, Sept. 9).

The Coke advertising is more akin to the kind of commercials the company was airing several years ago before it took a more aggressive, ultra-contemporary approach to meet Pepsi-Cola on Pepsi's turf.

A return to "traditional values shown in a contemporary way" is the way Sergio Zyman, senior vp-marketing, Coca-Cola USA, describes new Coke advertising, set to break next week on network tv.

Mr. Zyman suggested that the message the company is trying to convey is more important than any memorable theme line, and he is unconcerned whether the phrase will be displayed on t-shirts, trucks and sundry other items across the country, the way "Coke is it" was.

"For so many years we've been telling consumers that Coke belongs to them," Mr. Zyman noted. Coke learned that its message was getting through loud and clear only last spring after the soft-drink marketer took away the product it had been selling all these years.

"With the events of the past few months, people have said, 'It's *my*

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Coca-Cola returns to the soft-drink tradition of showing a series of vignettes portraying people's emotions. In the new spots, both the Coca-Cola and Coke Classic brands are shown together to project the image of a single brand. McCann-Erickson, New York, handles.

Average prime time 30: $118,840

By VERNE GAY and CRAIG REISS

New York—The average price of a 30-second commercial on prime time network tv during the fourth quarter will be $118,840, or 14.2% more than last season's $104,000 average, according to estimates by Advertising Age. (Complete table on P. 126.)

While it was expected that the price of network tv would increase this season, several milestones were set in the fall pricing wars. These include:

- NBC, following its ratings rise last season, has passed ABC as the second-highest-price network, with an average 30-second prime time spot costing $118,100. ABC dropped to an average $117,700, while CBS continues to lead at $120,700.
- Two shows this season will crack the $200,000-per-30-second barrier. They are "The Cosby Show" on NBC, the most expensive tv show at $270,000, and ABC's "Dynasty" at $225,000. The highest-price shows on CBS are "60 Minutes" and "Dallas," both getting $195,000.
- CBS' "Magnum, P.I." dropped to $110,000 from $130,000 after a season against "Cosby." The impact "Cosby" had on "Magnum" is seen in the prices still garnered for "Simon & Simon." Despite having "Magnum" as a lead-in, "Simon" is getting $180,000 per 30.
- The richest nights of the week are Sundays and Thursdays, with the networks' potential $36.1 million and $32.8 million, respectively, each week.
- In terms of revenues, CBS will win Sundays and Fridays; NBC will win Tuesdays and Thursdays, and ABC will win Mondays,

(Continued on Page 124)

GM to spend big to recover share

By JESSE SNYDER and RAYMOND SERAFIN

Detroit—General Motors is preparing a "whatever it takes" marketing effort to recapture share in an increasingly competitive auto industry.

GM's five car divisions have set 1986 model-year sales goals of 500,000 additional vehicle sales in a market that chairman Roger Smith says probably will be lower than 1985's projected 15.4 million cars and trucks.

GM's share of the total U.S. car market fell from 45.5% for the first eight months of 1984 to 42.7% for the same period in 1985.

Marketing executives at GM divisions, who are given more clout under GM's reorganization, blame the loss of share on more than last fall's labor strike. They claim competitors are outspending GM in ad-

(Continued on Page 126)

Last Minute News

General Foods serves Tang to O&M

White Plains, N.Y.—General Foods has moved Tang powdered breakfast drink to Ogilvy & Mather, New York, from Young & Rubicam. A spokesman said the move, effective Sept. 30, was made to reduce the number of agencies handling beverages, now divided among Benton & Bowles, Grey Advertising and O&M. During the past 18 months, Y&R has received six new-product assignments from three other GF divisions, plus GF's Ronzoni Foods. Tang's measured media support last year was $8 million, says Leading National Advertisers.

Armour Meats breaks $10M campaign

Bellevue, Mo.—ConAgra's Armour Processed Meats unit on Oct. 21 breaks a $10 million network tv campaign for its five-item lower-salt line. More than 200 million coupons and $1 million in sampling also support, via Bozell & Jacobs, Dallas (see related story on Page 2).

CBS takes stand-alone 15s for split-30 slots

New York—CBS-TV Network on Sept. 30 will begin accepting two stand-alone 15-second spots from different advertisers in all ad time currently available for split-30s from a single advertiser. The stand-alone 15s had been restricted to news and sports breaks but now may run in as much as 25% of CBS inventory. However, there can be only one set of 15s per commercial break.

Virginia Slims Lights 120s go national

New York—Philip Morris USA is rolling national with Virginia Slims Lights 120s. The line extension of its Virginia Slims brand family has been

(Continued on Page 8)

PM-GF rumors top week

By WILLIAM F. GLOEDE and NANCY GIGES

The frenetic pace at which corporate giants have been seeking merger partners shifted to package goods from media last week as rumors resurfaced that Philip Morris Inc. was planning a buyout of General Foods Corp., Unilever continued its pursuit of an aloof Richardson-Vicks and RCA Corp. apparently gave up on attempts to absorb MCA.

As the New York Stock Exchange opened last Monday, Philip Morris officials were wooing their counterparts at General Foods

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Coke goes for classic ads 1
Coca-Cola USA has not only brought back original Coke to the American marketplace, but also the kind of soft-drink advertising that it had been trying so hard to replace during the past few years.

Pricy prime time: +14.2% 1
The average price of a 30-second commercial on prime time network tv during the fourth quarter will be $118,840, or 14.2% more than last season's $104,000 average, according to Advertising Age estimates.

Needham wins Y&R's chips 3
Frito-Lay's choice of Needham Harper Worldwide to succeed Young & Rubicam on its estimated $17 million snack-food account caps nearly two years of frustration between the client and its agency.

Coors sees the Light 3
Adolph Coors Co. says it will increase ad spending by 50% in the next year for its fast-growing Coors Light brand. That heftier budget will fuel the "Silver Bullet Bar" campaign.

Playing chicken in the market 4
The leading fresh-chicken marketer, Holly Farms Poultry Industries, and a key eastern rival, Perdue Farms, are about to see who squawks the loudest when it comes to new products.

Ross Roy rolls 6
Griswold Inc., Cleveland, will become a wholly owned subsidiary of Detroit-based Ross Roy Inc. in a merger that will move Ross Roy to among the 25 largest U.S. agencies, with projected 1985 billings of $328 million.

Political ads on the spot 10
The 30-second political spot was boiled in congressional oil last week when a Senate committee began analyzing the state of political advertising. With the advertising industry keeping a discreet distance, the Senate commerce committee opened a series of hearings on a bill to curb what many legislators see as an epidemic of political advertising excesses.

'Good Food' on menu 14
Can Triangle Communications put the "good" back into *Good Food*? The publishing giant began looking to answer that question last week as it kicked off its reintroduction of the food and cooking monthly.

Vision quest 60
Powerful vision is the first ingredient in reinventing the corporation, according to John Naisbitt and Patricia Aburdene, authors of "Re-inventing the Corporation." That vision usually comes from a person with the mental power to create a vision and the practical ability to bring it about.

Ad of the living dead 92
Control Data Institute vividly shows the deadening effect of do-nothing careers in a 60-second ad by Bozell & Jacobs, which shows wide-eyed zombies stiffly marching through fog to work—their desks draped with cobwebs. As the camera focuses on an employe with blackened eye sockets, an announcer intones, "A mindless job drains the life right out of you."

CATEGORY REVIEW

POWER-PACKED. LONGER LASTING. EASY ZIP TAB. EASY TO STORE. AND YOU'LL NEVER RUN OUT!
SMART PACK
70% MORE LIGHT. HIGH-TECH LENS. RUGGED CASE. GUARANTEED SWITCH. LIFETIME WARRANTY.
(AND IT'S NOT BAD LOOKING EITHER)
RAYOVAC
RAYOVAC

New light in the charge brigade 47
Rayovac Corp., the battery company whose products virtually disappeared from retail shelves a few years ago, has recharged its marketing approach in an effort to break the cast-iron grip of Duracell and Eveready on the estimated $2.3 billion market.

INTERNATIONAL

Rupert talks; we listen 70
Rupert Murdoch goes on the record and for the first time spells out his global media game plan, and the outlook for pan-Europe tv.

TV Globo goes Italian 70
The Brazilian tv network, TV Globo, has big international plans now that it has bought its first foreign tv station—TeleMontecarlo Italia.

OTHER NEWS

Three ad agencies with healthcare clients have joined forces to form HealthCare Communications Corp. The new agency will handle emerging healthcare companies with national scope. Page 4.

Stroh Brewery Co. is clinging to the hope that a newly installed U.S. assistant attorney general will revive the probe of Stroh's antitrust complaint about beer advertising exclusivities on network tv sports. Page 12.

Arthur E. Tatham made his last trip to Tatham-Laird & Kudner, the advertising agency he founded in 1946, three weeks ago. Even though he retired as chairman 12 years ago, he kept his office and went into work at least once a week. Mr. Tatham died this month at the age of 77. Page 12.

Alpo Pet Foods has agreed this month to clarify its ad claims for Alpo puppy food after competitors complained to the National Advertising Division, Council of Better Business Bureaus. Page 14.

Chrysler Corp. is solid enough in the midsize car segment to "push upstream into the lair of General Motors and Ford," according to top executives. Page 32.

Alta-Dena Dairy vows it will win the false advertising lawsuit brought against it by Consumers Union and is threatening a countersuit. Page 64.

When CBS bought five radio stations from Taft Broadcasting Co. for $107.5 million Aug. 1, the word was that wholesale changes were in store. But, in fact, virtually nothing has changed. Page 65.

The "Eating Right, Feeling Fit" health and nutrition program that McDonald's is launching shows the comprehensive marketing muscle the world's largest restaurant chain can put behind its promotional activities. Page 118.

CAMPAIGNS BREAKING

Commodore International Ltd., West Chester, Pa., breaks a $40 million network tv, radio and print campaign Sept. 23 for its new Amiga home computer. Ted Bates Advertising/New York is the agency (AA, July 29).

COMING THURSDAY

Does tennis player John McEnroe's on-court persona of "McNasty" make him too hot for advertisers to handle? How are his advisers handling the special problems posed by the sporting world's bad boy?

In Special Report—consumers' varying life styles push grocery marketers to create new products and services to attract customers. Smaller portions, easy preparation and one-stop shopping are just some of the things on consumers' shopping lists.

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Clairol, Sassoon add hair coloring

By PAT SLOAN

New York—Clairol begins a $12 million sendoff for the national debut of Ultress hair coloring this week, while Vidal Sassoon will start a $10 million campaign in March for a color mousse and color gel, the company's first hair coloring products.

The two newcomers follow L'Oreal's $6 million June introduction of Avantage and the March relaunch of L'Oreal's Preference (AA, March 4, et seq.), further intensifying the already heated competition in a $500 million market which has remained stubbornly flat save for price increases.

Hair color marketers anticipate this latest flurry of products will appeal to younger women who have so far resisted brightening or

(Continued on Page 124)

FMR shows some polish for Armour

By JULIE FRANZ

ConAgra's shift last week of its $15 million Armour Frozen Food account to Minneapolis' Fallon McElligott Rice from Bozell & Jacobs, Dallas, has made the company FMR's biggest client. The move comes as Armour's Dinner Classics and Classic Light lines are feeling pressure from several competitors.

FMR bested Bozell & Jacobs, New York, and Cramer-Krasselt, Chicago, after a four-week review that began with six agencies, sources said (AA, Sept. 9). B&J, Dallas, wasn't invited to defend the account.

The shift won't effect Ballwin, Mo.-based Armour's $10 million Processed Meats account, also at

(Continued on Page 126)

West Coast news

S&I 'holds' WRG/West

American Savings, Stockton, Cal., says its relationship with Wells, Rich, Greene/West, Los Angeles, is "on hold," as it evaluates its future. American Savings senior vp-advertising/marketing Clyde Hendricks acknowledged the s&l had fired the agency earlier in the week, but said it had decided to allow WRG/West an opportunity for "further dialog." Mr. Hendricks said American Savings had considered taking its estimated $8 million in-house. There is speculation it also may consider shifting its account to Cohen/Johnson, Los Angeles, the agency formed a few months ago by two former

(Continued on Page 126)

CATEGORY REVIEW: BATTERIES

Rayovac back on beam in battery market

By LAURIE FREEMAN

Rayovac Corp., the battery company whose products virtually disappeared from retail shelves a few years ago, has recharged its marketing approach in an effort to break the cast-iron grip of Duracell and Eveready on the estimated $2.3 billion market.

Madison, Wis.-based Rayovac apparently has solved its distribution problems, modernized its battery packaging, brought its advertising up-to-date and is now ready to take on the big players.

Where once the privately held company teetered on the brink of financial ruin, it currently reports positive sales growth, with sales expected to reach $230 million this year.

Rayovac's estimated $15 million ad budget lags behind the estimated $28 million spent by Dart & Kraft-owned Duracell and $22 million for Union Carbide's Eveready. But it won't be long before it matches the others, ad dollar for ad dollar. "We're in a building process right now and we'll build our advertising as we strengthen distribution," said Bob Zimmerman, marketing director-batteries.

The aggressive, new Rayovac reflects internal changes made since Inco International Nickel sold the company almost three years ago to Thomas Pyle, now Rayovac president and ceo, and two other East Coast-based investors, Lionel Sterling and Robert Goergen. At the time of the purchase, Rayovac was losing a reported $25 million annually.

Under Inco's guidance, industry observers say Rayovac placed too much emphasis on production and not enough on marketing and advertising. One result: As the company stopped ad support, Rayovac lost retail shelf space as merchants refused to stock the batteries.

Getting Rayovac's batteries in stores and bringing the company's marketing abilities up to modern standards were Mr. Pyle's top priorities. Putting the batteries back on retail shelves apparently was the easy part, starting with a companywide, grass-roots effort.

Employes were given business cards to help promote sales. The cards read "I am an employe of Rayovac, I shop in your store and I'd like to see Rayovac batteries in the store."

"Some distributors were swamped with the large number of cards they received, and that convinced them to carry our products again," said Judy Pyle, Rayovac vp-marketing and Mr. Pyle's wife. Rayovac batteries can now be found in most stores nationwide.

Next, the company unleashed newspaper ads in Wisconsin papers only, promoting its batteries and offering free Wisconsin tourism-promotion kits.

After drumming up local support for the batteries, Rayovac also committed itself to a new packaging and display program. The company has put AA, C and D batteries in groups of six or eight, alkaline or heavy-duty, in a zip-tab package called "Smart Pack"; this lets consumers remove the batteries as needed. "We hope to encourage volume purchases of batteries," Mrs. Pyle said.

The company also expects the easy-to-handle-and-stock packs will challenge sales of the familiar carded products. In the future, the company expects the Smart Pack concept to convert many impulse battery buys into planned, household necessities.

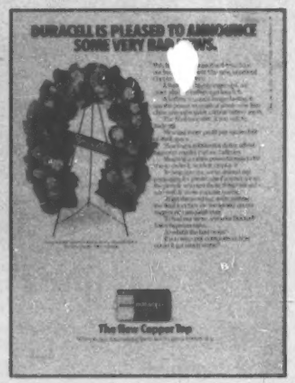
Finally, in support of its behind-the-scenes reorganization, Rayovac last year launched its first network tv and radio campaign, using slice-of-life vignettes and a fantasy element, said Cynthia Perry, Rayovac vp-account supervisor, Leber Katz Partners, New York.

One 60-second spot shows a young boy enjoying his first backyard campout. He "hears something go thud, and he turns on his Rayovac-powered flashlight—which turns into a 'Star Wars' laser sword," said Ms. Perry.

Rayovac's creative strategy targets battery ads to heavy users with strong, long-term potential, those who are hooked on various portable power devices such as Walkmans. Copy for all the spots includes the theme "We give you the power to enjoy every hour . . . Rayovac, the battery that's power packed."

Shares of the battery market

Battery	Company	Market share	Sales (millions)	Agency	Ad budget (millions)
Duracell	Danbury, Conn.	48%	$1,100	Ogilvy & Mather, NY	$28
Eveready "Supercharged"	Eveready	42%	966	William Esty, NY	22
Rayovac	Rayovac	10%	230	Leber Katz Partners, NY	15



Eveready recently introduced its "Supercharged" Energizer batteries (l.) with Olympic gold-medalist Mary Lou Retton as the product's spokeswoman. This fall, Duracell is introducing a new, improved "Copper Top" battery. William Esty, New York, handles Eveready; Duracell battery ads are handled by Ogilvy & Mather, New York.

"Consumers have often believed that batteries were a necessary evil, a purchase required when their radios no longer played. We want to turn a negative purchase into a strong, positive one," said Mrs. Pyle.

Tv spots and print ads in major consumer magazines will promote the Smart Pack in a media schedule running through the beginning of next year.

Now is perhaps the best time for Rayovac to make its comeback bid. The battery market is growing at a brisk 10% a year, spurred by the proliferation of battery-operated devices.

Alkaline batteries hold 75% of sales in the estimated $2.3 billion industry and account for 60% of unit sales, a Duracell spokesman said.

According to a study commissioned by Rayovac, the average household uses 26 batteries a year; heavy-user households, 20% of the total, use 92 batteries annually to power "boom boxes," personal stereos, smoke detectors, garage-door openers and toys. An average household contains nine battery-powered devices.

Eveready and Duracell aren't in permanent storage while Rayovac makes its bid, however. Eveready recently introduced its "Supercharged" Energizer batteries, with Olympic gold-medalist Mary Lou Retton as the product's spokeswoman.

The Danbury, Conn.-based subsidiary of Union Carbide is telling the trade, "the new Energizer advertising will focus on the long-lasting energy of Mary Lou Retton and America's newest bundle of energy—the Energizer now supercharged 'AA' battery." The ad schedule includes network and cable tv, including time bought on prime time shows "Miami Vice," "Hill Street Blues," "The Bill Cosby Show" and "Magnum, P.I."

Full-page, freestanding insert ads, which broke Aug. 25, will appear in Sunday newspapers through the beginning of next year. Each insert contains a 25¢-off coupon.

William Esty, New York, is the Eveready agency.

A bright-yellow "Now Supercharged!" banner has been put on the front of AA battery packages.

Eveready also is seeking to raise consumer awareness of the necessity of batteries by reminding consumers that more than 800,000 blackouts occur in the U.S. annually.

Duracell this fall is introducing a new, improved "Copper Top" battery, "a battery so highly improved no other alkaline battery can touch it. A battery so much longer-lasting, it has the power to create a whole new franchise among regular carbon-battery users," the company is telling the trade.

The Copper Top is Duracell's familiar copper-and-black battery, containing "additional active chemical ingredients, allowing a 30% greater life span," a company spokesman said.

Duracell expects the upgraded battery will win market share from the heavy-duty, zinc carbon battery category.

Marketing plans for the reformulated battery include the company's "heaviest media schedule ever," the spokesman said. Network tv spots break in mid-October, "reaching 160 million people an average of five times." A nine-week prime time tv and print campaign, with ads in 12 major consumer magazines, "will reach virtually all U.S. households more than 30 times."

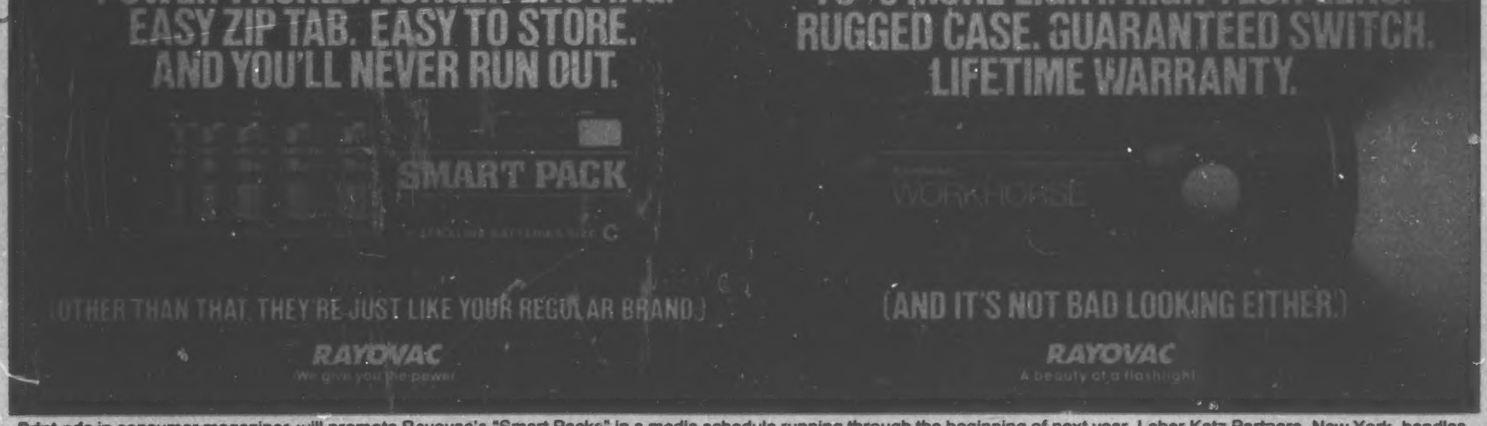
The company also is running its first-ever trade print campaign, in publications such as *Supermarket News*. A schedule of fais offering 25¢-off coupons will break in October and run through December.

Duracell again will hold a sweepstakes in the first quarter of 1986, although the company declined to release further details. Last year, Duracell ran a 10% savings rebate and the "It's Christmas Again $250,000" sweepstakes. The savings rebate program offered cash rebates of up to $5 when batteries were purchased and small Christmas gifts. The sweepstakes promotion, with in-store entry blanks, offered a chance to win a $1,000 shopping spree.

Duracell battery ads are handled by Ogilvy & Mather, New York; advertising for Durabeam flashlights is done by Jordan, Case, Taylor & McGrath, New York.

Three newcomers to the American battery market, Fuji, Panasonic and Toshiba, are struggling to gain retail space.

Secaucus, N.J.-based Panasonic is concentrating on its new rechargeable line. The nickel cadmium batteries come in a range of sizes and can be charged, used and recharged up to 1,000 times for up to 10 years, the company said.



Print ads in consumer magazines will promote Rayovac's "Smart Packs" in a media schedule running through the beginning of next year. Leber Katz Partners, New York, handles.

Newspaper ad spending slows in June

By WILLIAM F. GLOEDE

NEW YORK—Daily newspaper advertising in 15 major markets began its summer slowdown in June, with eight of 16 measured categories showing decreases from June, 1984, according to the ADVERTISING AGE Flash Report from Media Records Inc.

Over-all spending increased $45.1 million to $265.6 million.

Department stores, the largest newspaper advertising category, led the gainers in dollar volume with a 31.9% increase to $87.5 million. Food stores followed closely with a 31.8% increase to $29 million, and general-merchandise stores chalked up a 37.1% increase to $40.8 million. New-car advertising led all categories in percentage increase, rising 67.4% to $15.8 million.

Other categories with gains were amusements, up 5.8% to $27.3 million; computer stores and supplies, up 3.8% to $5.0 million; radio-tv-phonographs and records stores, up 34.5% to $17.3 million, and publishing and media, the only national category to post an increase, up 18.4% to $9.4 million.

Losing categories included alcoholic beverages, down 32% to $2.6 million; cameras, photo supplies and services, down 39.8% to $503,604; computers, equipment and services, down 48.8% to $2.5 million; public service utilities and commissions, down 24.1% to $5.85 million; cigarets, down 20.7% to $4.3 million; airlines, down 7.7% to $10 million; banks and trust companies, down 0.8% to $6.3 million, and stock, bond and investment houses, down 11.1% to $1.4 million.

The Flash Report is based on linage measurements in 27 daily and 23 Sunday newspapers in 15 major markets.#

FLASH REPORT: Newspaper advertising investment for June

June 1985	IN 100 THOUSANDS / IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1985	1984	ACTUAL $ G OR L	% G OR L
Amusements	1985 / 1984	$27,318,985	$25,831,411	+1,487,574	+5.8
Computer stores & supplies	1985 / 1984	5,067,517	4,880,622	+186,895	+3.8
Department stores	1985 / 1984	87,503,876	66,341,266	+21,162,610	+31.9
Food stores	1985 / 1984	28,995,356	22,003,185	+6,992,171	+31.8
Radio, tv, phonographs, records	1985 / 1984	17,269,044	12,842,343	+4,426,701	+34.5
General merchandise stores	1985 / 1984	40,793,117	29,753,417	+11,039,700	+37.1
Alcoholic beverages	1985 / 1984	2,645,303	3,888,279	−1,242,976	−32.0
Cameras, photo supplies & services	1985 / 1984	503,604	836,774	−333,170	−39.8
Computers, equipment & services	1985 / 1984	2,463,198	4,807,220	−2,344,022	−48.8
Public service utilities & communications	1985 / 1984	5,857,838	7,718,204	−1,860,366	−24.1
Publishing & media	1985 / 1984	9,411,700	7,948,207	+1,463,493	+18.4
Cigarets	1985 / 1984	4,338,616	5,470,385	−1,131,769	−20.7
Airlines	1985 / 1984	10,015,420	10,850,229	−834,809	−7.7
Passenger cars-new	1985 / 1984	15,752,613	9,409,378	+6,343,235	+67.4
Banks & trust companies	1985 / 1984	6,256,125	6,307,571	−51,446	−0.8
Stock, bond & investment houses	1985 / 1984	1,356,838	1,525,919	−169,081	−11.1

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

CBS likes ex-Taft stations as they are

By VERNE GAY

NEW YORK—When CBS bought five radio stations from Taft Broadcasting Co. for $107.5 million Aug. 1, the word was that wholesale changes were in store. Formats would be changed and managers would be removed, as CBS put its stamp on the new group.

So so the predictions went. But in fact, virtually nothing has changed at the stations. Probably, nothing will.

"It was incredible," said Robert Hosking, president of the CBS Radio division. "I could not convince anybody that this was not going to happen. . .It would be like buying Pepsi-Cola and making it into root beer."

Not that CBS Radio shuns change—the division has undergone some dramatic changes in the past few years and with the Taft buy became the largest U.S. radio operator, with revenues near $200 million. Mr. Hosking claims that little needs fixing at the new group—which is why CBS purchased it for a record price.

The purchase reflects a strategy Mr. Hosking has followed since taking the helm of the radio group in 1981: To diversify and grow where the markets, and the advertisers, are.

The Taft purchase most clearly reflects that strategy. The stations are mostly in the Sunbelt (CBS' other stations are in eastern, West Coast and Midwest markets) and their formats are "light rock" or news (most of CBS' stations have "contemporary hit radio" or news formats). CBS now owns six am news/talk stations and 12 fm stations, five of which are contemporary hit radio. The Taft stations (three were spun off from Gulf Broadcast Co. after Taft recently purchased that company) are in Washington, Tampa, Houston and Dallas.

"Managing a large radio group today is like managing a financial portfolio," said Mr. Hosking. "[The Taft stations] provided a geographical balance to spread out our risk [and] the formats give us a much better balance. . .We now have a whole spectrum."

This "whole spectrum" helps remove the peaks and valleys in advertiser demand from one year to the next, said Mr. Hosking. A recent fallout in computer advertising hurt sales on stations that skew toward older audiences. "From year to year you can pick up heavy fluctuations in radio [advertising]," he said. "Right now the greatest demand is in that center area, the 25-to-54 [age group]."

Growth for the CBS Radio group has not been without controversy. When it announced the decision to buy the Taft group in April, some analysts said CBS was loading itself with debt to curtail efforts by Ted Turner to take over the company. Mr. Hosking denied this. He said he had been looking for ways to "balance" the radio group via a major purchase since February, before the Turner bid.

"It's true this was handled during the Turner bid, but that was happenstance, not by design," said Mr. Hosking. "We wanted to expand and this was one of the most unique opportunities to come along. This was the largest station group that did not conflict with what we already had—there were no conflicts. It was a perfect fit."

Now, CBS plans to continue to add pieces to its growing radio empire, despite a corporate clamp on costs. The company, which has narrowed future growth to the top 25 markets, does not yet have a media presence in Detroit and may explore future opportunities there. Four radio stations recently have come on the market in Detroit as a result of the merger between Gannett Co. and the Evening News Assn., which also publishes the *Detroit News*.

CBS has targeted two other areas for future growth: Radio networking and representation. The CBS radio network now has 400 primary affiliates for its news feeds, but opportunities for significant growth lie with RadioRadio, the youth network that feeds regular and occasional programing to more than 1,000 affiliates, said Mr. Hosking. The networks, which Mr. Hosking says are in the black, contribute about one-third to the division's total revenue. Like the owned-station operation, the networks are tailored for a variety of different formats.

"Top 40 Satellite Survey" is geared for contemporary hit radio stations and "Top 30 USA" is tailored for adult-contemporary stations. However, "Entertainment Coast to Coast," a music and talk feed, has found a berth on 125 affiliates with a variety of formats. Other similar networks are planned.

"We will continue to roll these things out until we roll one out people don't want," said Mr. Hosking.

CBS Radio also lays claim to the last of the broadcast-managed representation arms. The other networks backed out of the representation business over the last decade. CBS has a "short list" of 42 stations and wants to add another three. The company decided to stay in the business when it found there were opportunities for expanding in top markets. "Many stations are unhappy with their reps," said Mr. Hosking.#

End urged to Swiss media rule

By JOHN FARRY

GENEVA—In a book that has hit Swiss media circles with a massive bang, a Geneva lawyer has called for abolishing state control of radio and tv broadcasting in favor of U.S.-style free enterprise.

Radio and tv journalists in Switzerland cannot work with the same freedom as their colleagues in the print media because they are hamstrung by government control, Charles Poncet said in his book "State Control of Information in the Media."

He said the state-run radio and tv networks should be dismantled and private enterprise allowed free rein.

A state monopoly on broadcasting is valid in Switzerland as long as only the state has the means to use these communications tools, Mr. Poncet said.

But the proliferation of privately owned local radio stations in the past few years and the increasing possibility for Swiss tv viewers to watch private satellite tv stations means that the old state monopoly is out of date, he said.#

'Super radio' gets static

Crain News Service

"Super radio" has turned into a super headache for its proponent, the National Radio Broadcasters Assn., following an industry association meeting at which the idea met with a chilly reception.

The mere suggestion of merging existing groups into a single new "super radio" trade association had some industry leaders so angry there was talk of canceling next year's joint radio convention, only the third one since the National Assn. of Broadcasters and the NRBA reconciled.

Peter Ferrara, NRBA exec vp, admitted his organization was "very disappointed" by the reaction of the other groups at the meeting.

Attendees, which included representatives of the Radio Advertising Bureau, the Radio Network Assn., the Radio-Television News Directors Assn. and Broadcast Financial Management Executives, among others, voted down a recommendation by NRBA president Bernie Mann to establish a committee to explore the proposal.

"What it's boiling down to," Mr. Ferrara said, "is either we're ahead of the times or behind the times with this idea."

But, he added, "the unfortunate thing is that those people in the room—rightfully so—are not going to be too terribly open to the idea" of folding their own organizations.

"I thought it was a healthy exercise to get that many people from that many groups in one room to discuss ideas," said Bill Stakelin, president of the Radio Advertising Bureau. "My disappointment stems from the fact that it didn't seem like there was any room for compromise or movement."#

INTERNATIONAL

CHINA: A new frontier for advertisers

By LYNNE REAVES

Bunno—"Beijingexpressairsurfacedeliveryservice."

This English lettering painted in red on the door of a fast-moving rusty van makes a New Orleans man do a double take as he walks down Jianguomenwai Street in the heart of China's capital city.

"Advertising has come to China," he laughs. "But, it can make you dizzy."

The air cargo sign may be a crude attempt, but the fact that it is allowed at all in this communist nation of 1 billion people is significant.

Advertising has not only returned to the most populated country in the world, it has been encouraged by both foreign and domestic companies. In fact, Chinese officials say their country, under the pragmatic leadership of Deng Xiaoping, spent $20 million in 1984 advertising Chinese products outside the country.

Several dozen foreign companies, led by the Japanese, are splashing their names on outdoor boards and in tv, newspapers and magazines all across China. Although many of their marketing strategies still are in the infancy stage, all see their presence here as a foot in the door and a foundation for a possible windfall.

"The past few years have proven there is a place for advertising in China. The only questions now are timing, and how sophisticated the audience is," says Cecil Tow, account director at Leo Burnett Co. in Hong Kong. "A lot of our clients have shown an interest in advertising in China, and with that many potential consumers no one can afford not to show an interest in it."

First popularized by foreign tobacco and petroleum companies, advertising was practiced by Chinese and foreign companies around the turn of the century. But when the communist state was founded in 1949, advertising was branded a capitalist tool and prohibited for more than a generation.

Millions of Chinese still have never heard the name "Coke" and don't know if McDonald's sells hardware or hamburgers, but advertising has taken off as a pace no one would have dreamed possible when the advertising ban was lifted in 1979.

Its rebirth is just one element in China's daring massive modernization drive aimed at erasing the nation's "developing country" label.

The drive began in 1979 with the end of the cultural revolution and has resulted in an unprecedented surge in wages, prices, production and retail sales.

China's leaders say advertising fits into the reawakening of the country's economy because it not only stimulates sales, but teaches Chinese consumers and business leaders about developments in the rest of the world during the past 30 years.

Still, advertising in China is not without its rules, although the Marlboro man did ride briefly across tv screens in southern China in 1979. Today, tobacco and liquor advertising are banned except in hotels where foreigners stay and in stores where only foreigners can shop.

There is no central media ownership body and each medium is responsible for censoring the advertising it carries, but the government urges that advertising not affect political, moral or social climates.

For the most part, all advertising, even by non-Chinese companies, is fairly basic.

At Ogilvy & Mather, clients are advised to adhere to the following guidelines: "Keep advertising straightforward, factual and single-minded. Interpretation of advertising is extremely literal and it is not desirable to attempt analogy, or humor of any kind.

"Emphasis should be given to performance, quality and durability."

"The Chinese are still very . . . prisoners of fast-talking foreign salesmen," says Harry Tsuid, regional director of Ogilvy & Mather Worldwide in Hong Kong.

Hong Kong serves as a gateway to China for many areas of foreign business, and advertising is no exception.

A handful of agencies in Hong Kong, led by Interpublic-Jardine and Ogilvy & Mather, are working aggressively with foreign companies in China.

An outdoor board for Sony in Beijing illustrates Japan's strong marketing presence in China.

"Advertising in China is the same as advertising anywhere else," notes Doug King, managing director of Interpublic-Jardine. Interpublic is the only western agency to have registered representative offices (although not full-service agencies) in China.

Through its joint venture arms with Jardine—one of the oldest China trading companies—it has offices in Beijing, Shanghai and Guangzhou (Canton).

"Before you can be successful in China," Mr. King says, "you have to know your objectives—just like anywhere else. The biggest problem foreign companies have is not setting specific objectives in China. The one billion consumers idea makes sense, but only if you know what you are doing."

Mr. King points to his client, Eastman Kodak, as one of the foreign companies that has approached the China market correctly. He said the company started advertising in a Chinese photo magazine in 1978, and now runs a multimedia campaign, including tv. "Kodak is one of the brand-name success stories in China," Mr. King claims. "They sell more film in China than in Hong Kong."

A typical Kodak tv spot produced in Hong Kong for the southern China market shows a well-groomed young man snapping photos of his girlfriend and relatives.

"The thought process in making this commercial is interesting," says Mr. King, who speaks Mandarin Chinese fluently. "Kodak does a lot of its advertising based

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Major foreign advertisers in China

Company	Agency	Total yr. in China
Airbus Industry	Modern Advertising (Hong Kong)	1982
American Express Co.	Ogilvy & Mather	1981
Australian Trade Commission	China Consultants International	1980
Bank of America	FEAD*	1980
Bayer	Interpublic/Jardine	1984
Beatrice	Under review	1984
Boeing	Ogilvy & Mather	1982
British American Tobacco	Interpublic/Jardine	1980
Burroughs Wellcome	Interpublic/Jardine	1980
Johnny Walker	Interpublic/Jardine	1982
Coca-Cola Co.	Interpublic/Jardine	1982
Compaq computers	Modern Advertising (Hong Kong)	1985
Doral-Ugenth	J. Walter Thompson Co.	1980
Exxon	Interpublic/Jardine	1980
General Foods	Ogilvy & Mather	1980
Girman watches	Under review	1979
Gillette	Interpublic/Jardine	1981
Hennessy	Interpublic/Jardine	1981
IBM	J. Walter Thompson Co.	1984
Irish Dairy Board	People & Grey Advertising	1982
Jardine Matheson	Interpublic/Jardine	1981
Eastman Kodak	Interpublic/Jardine	1979
L'Oreal	Interpublic/Jardine	1980
Lufthansa airlines	J. Walter Thompson Co.	1980
Mercedes-Benz trucks	Under review	1979
Merlet cognac	Ogilvy & Mather	1982
New Zealand Dairy Board	FEAD*	1984
Olivetti	FEAD*	1985
Peninsula Hotels	Ogilvy & Mather	1982
Philip Morris	Leo Burnett Co.	1979
Remy Martin cognac	Interpublic/Jardine	1982
Samsung Electronics	FEAD*	1982
Seagrams	Interpublic/Jardine	1980
Seiko watches	Leo Burnett Co.	1979
Sony	Dentsu	1982
Titoni (watches)	FEAD*	1982
Washingtonian	FEAD*	1979
Weight-Gainer beauty products	Ogilvy & Mather	1982
ZF (vehicle transmissions)	Ogilvy & Mather	1980

*For East Advertising Group — China Division

Guidelines for U.S. marketers planning to expand in China

By ALEXI DE SEDOUSA

What can U.S. companies expect when they try to enter the Chinese marketplace?

Certainly not business as usual. Although China offers vast new opportunities for American marketers, it would be naive for Americans to envision a land of one billion hungry consumers buying aspirin, lipstick and chocolate-chip cookies.

Here is a thumbnail sketch of how doing business in China is different from operating in other nations, along with a handful of tips that U.S. marketers should keep in mind before trying to set up business in China.

To begin with, China is an agrarian, semi-industrial country where 80% of the people toil to feed 25% of the human race. It is a land where cultural custom dictates business dealings rather than legal convention. In China, soldiers and peddlers still ply their trades just outside a biotechnology laboratory.

Consumer demand in China can be exercised only within the confines of an average urban annual income of $500—some of it in the foreign exchange needed to buy western products. There, Avon does not come calling and washday miracles usually are performed in a wash basin.

Given this environment, how can a company best establish a presence?

There are no hard-and-fast rules. Even "China hands" get surprised. I once briefed a client on the ritual of a Chinese business meeting. Instructions—one of ten and endless recommendations by protocol-conscious bureaucrats—only to find that, once in Beijing, our Chinese host whisked us off to the bar of the Great Wall Hotel for a business meeting that took but 10 minutes over a double shot of w[illegible] vary. Even so, there are several aspects of business protocol that should be heeded.

"More than anything else, U.S. marketers should guard against false expectations and impressions. These are the most frequent causes for failure."

For example, more than anything else, U.S. marketers should guard against false expectations and impressions. These are the most frequent causes for failure.

Some Chinese friends once shared a story about an American shoe manufacturer who wanted to form a joint venture. During the first meeting he spent three hours discussing the terms and conditions he would accept. He concluded by saying that since he was leaving China two days hence, he had to have an answer in 24 hours. The Chinese politely said they would study the proposal and the Americans left the meeting feeling encouraged. Immediately after he left, the Chinese threw away their notes and left subordinates never to deal with him again.

So what does work? The first rule is careful preparation. It is a remarkable phenomenon that companies that normally are cautiously frugal, by the old saying, buy a—the best way to get to China is by shoe-leather.

This is all the more surprising since great market research is available. Many U.S. companies, such as Coca-Cola, Exxon and General Foods, have already had direct experience marketing in China, and consulting companies have begun to work with Chinese counterparts on everything from consumer spending habits to factory feasibility studies.

A second rule is to find the right partner. In the early days of U.S.-China trade, [illegible] companies could easily work out of a dozen private, semi-tax trading corporations.

Now there are more than 800, and China's economic open-door policy means that overseas firms wishing to do business in China have a wide variety of trade to choose from, from factory managers to self-appointed consultants who deal with foreign companies. One way to avoid that confusion is to bring firms only to Beijing, Shanghai and Guangzhou, but also to such remote places such as Ningbo, Qingdao, Kunming and Chengdu.

Third, trust your impressions. That

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